

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7382

BILL NUMBER: SB 526

DATE PREPARED: Apr 13, 1999

BILL AMENDED: Apr 12, 1999

SUBJECT: Health facility remedies for breaches of certain laws.

FISCAL ANALYST: Ron Sobecki

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FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill allows an allegation of a breach to be made orally. The bill requires State Department of Health (SDOH) survey inspectors to categorize each breach by a health facility into one of four categories described in federal law. It requires the state department to investigate all allegations of a breach

This bill increases the amount of fines that the Commissioner of the State Department of Health may impose for breaches by health facilities. The bill allows the State Department of Health to deduct from any fine the amount of funds expended by the health facility to retain a consultant or other health care professional approved by the State Department of Health to assist the health facility in correcting a breach. It specifies that the commissioner may impose a penalty for each violation or repeat of a violation. The bill limits to 90 the total number of consecutive days that the Commissioner may suspend new admissions to a health facility. It requires a patient's representative to be notified if certain breaches occur. The bill provides that the State Department of Health may not collect fines under both state and federal law from certain health facilities.

This bill establishes the Health Facilities Interim Committee. It makes a conforming amendment.

Effective Date: (Amended) Upon Passage, July 1, 1999.

Explanation of State Expenditures: (Revised) This bill establishes the 13-member Interim Study Committee on Health Facilities. Of the 13 members, four are legislators and eight are lay members. With legislator per diem at \$112, lay member per diem at \$50, plus travel expenses, the estimated cost per meeting is about \$1,450, if all attend. By Legislative Council resolution, interim study committees are allocated \$9,000 per interim. Legislative Services Agency will staff the committee.

Explanation of State Revenues: This bill increases the fines the Commissioner of the State Department of Health (SDOH) may impose for certain violations committed by health facilities. The SDOH cited 64 out

of 600 health care facilities in the last fiscal year and collected approximately \$50,000 in fines. These fines are deposited in the state General Fund. It is not known if the increase in fines will increase or reduce the number of violations committed by health facilities.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Department of Health; Office of Medicaid Policy and Planning; Legislative Services Agency.

Local Agencies Affected:

Information Sources: Norma Selby, SDOH, 233-7673.